

FISCAL NOTE

HB 225 - SB 924

March 14, 2001

SUMMARY OF BILL:

- Allows survivors of retirees who continue participation in the State and Local Education Plans upon retirement to continue coverage regardless of the retirement benefit option selected by the now deceased retiree.
- Separates the selection of a retirement benefit option from the criteria to continue health insurance coverage upon retirement and the subsequent death of the former employee.

Under current law, both the State Health Plan and Local Education plans predicate the continuation of coverage by the surviving spouse with the continuation of a retirement benefit.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$25,940 First Full Year

Increase Local Govt. Expenditures - \$9,815 First Full Year

Estimate assumes the following:

- Approximately 10 individuals would become eligible to continue participation in the state plan each year.
- Approximately 5 individuals would become eligible to continue participation in the Local Education plan each year.

For information purposes:

- The average cost to cover individuals that would become eligible under the state plan is estimated to be approximately \$2,594 [\$3,434 Cost of Benefits - \$840 Retiree Premium Contribution].
- The average cost to cover individuals that would become eligible under the Local Education Health plan is estimated to be approximately \$1,963 [\$3,453 Cost of Benefits - \$1,490 Retiree Premium Contribution].

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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